

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman;
Nanci E. Langley; and
Robert G. Taub

Unionville Post Office
Unionville, Iowa

Docket No. A2011-25

ORDER AFFIRMING DETERMINATION

(Issued November 7, 2011)

I. INTRODUCTION

On July 21, 2011, the Postal Regulatory Commission received a letter, postmarked July 11, 2011, from Dorothy Jean Smith (Petitioner) seeking review of the post office discontinuance affecting the Unionville, Iowa post office (Unionville post office).¹ By means of Order No. 767 (July 22, 2011), the Commission docketed the Petition as an appeal of the final determination to discontinue the Unionville, Iowa post office, assigning Docket No. A2011-25.² In Order No. 767, the Commission designated a Public Representative and directed the Postal Service to file the Administrative

¹ Petition for Review Received from Dorothy J. Smith Regarding Unionville, IA Post Office 52594, July 21, 2011 (Petition).

² Notice and Order Accepting Appeal and Establishing Procedural Schedule, July 22, 2011 (Order No. 767).

Record or otherwise file a pleading responsive to the appeal. After review of the record in this proceeding, the Commission affirms the Final Determination to close the Unionville, Iowa post office.

II. PROCEDURAL HISTORY

On August 5, 2011, the Postal Service filed the Administrative Record with the Commission.³ The Postal Service also filed comments requesting that the determination to close the Unionville post office be affirmed.⁴ The Public Representative filed a reply brief on August 16, 2011.⁵ Petitioner did not file any documents other than her petition for review. There were no interventions.

III. BACKGROUND

The Unionville post office provides window service 22 hours a week from 9:00 a.m. to 1:00 p.m., Monday through Friday, and 11:00 a.m. through 1:00 p.m. on Saturday. Final Determination at 2. In addition to providing retail services, *e.g.*, sale of stamps, stamped paper, and money orders, it provides service to 42 post office box customers. *Id.*

The retail workload at the Unionville post office is low, averaging four transactions amounting to five minutes of workload per day. Revenue over each of the last 3 years has been about \$8,500. *Id.*

The Postal Service has determined to close the Unionville post office and provide delivery and retail services by rural route delivery administered by the Moravia post office, located 9 miles away. Post office box customers will be provided the option of obtaining Post Office Box service at the Moravia post office. Retail services are available at the Moravia and Udell post offices. Window service hours at the Moravia

³ The Administrative Record is attached to United States Postal Service Notice of Filing, August 5, 2011 (Administrative Record).

⁴ Comments of United States Postal Service, September 14, 2011 (Postal Service Comments).

⁵ Reply Brief of the Public Representative, August 16, 2011 (PR Reply Brief).

post office are from 8:30 a.m. to 11:30 a.m. and 1:30 p.m. to 4:00 p.m., Monday through Friday, and 8:30 a.m. to 10:00 a.m. on Saturday. Window service hours at the Udell post office are from 2:00 p.m. to 4:00 p.m., Monday through Friday, and 8:30 a.m. to 10:30 a.m. on Saturday. *Id.* The Postal Service will continue to use the Unionville name and ZIP Code. *Id.* at 3, Concern No. 5.

On January 20, 2006, the Unionville postmaster was reassigned. A career employee from the Seymour, Iowa post office was installed as the temporary officer-in-charge (OIC). Administrative Record, Item Nos. 15-16.

On February 11, 2011, the Postal Service distributed questionnaires regarding the possible change in service at the Unionville post office to post office box customers. Questionnaires were also available over the counter for retail customers. A total of 42 questionnaires were distributed and 16 were returned. *Id.* Item No. 23. On February 28, 2011, the Postal Service held a community meeting in Unionville to address customer concerns. Thirty-five customers attended. *Id.* Item No. 24.

IV. PARTICIPANT PLEADINGS

Petitioner. Petitioner contends that the Unionville post office should not be closed. Petitioner asserts that the Unionville post office is the main spoke in the wheel of the town, and loss of the post office will mean the end of the town. Petitioner also asserts that the closure of the post office will cause hardship for older people. Petitioner suggests that a postmaster vacancy is not a legitimate reason to close a post office. Petition at 1.

Postal Service. The Postal Service argues that the Commission should affirm its determination to discontinue the Unionville post office. Postal Service Comments at 7. The Postal Service maintains that it has followed the closing procedures of 39 U.S.C. § 404(d) *Id.* at 4.

The Postal Service states that its decision to close the Unionville post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload generating low and declining revenue;
- the variety of delivery and retail options available;
- minimal impact upon the community;
- minimal recent growth in the area; and
- expected financial savings.

Id. at 3. The Postal Service asserts that it has addressed the concerns raised by Petitioner. *Id.* at 1.

Public Representative. The Public Representative concludes that the Postal Service followed applicable procedures and weighed the proper elements in the decision to close the Unionville post office. PR Reply Brief at 5. However, the Public Representative points to uncertainty in the amount of economic savings accruing from the closure of the Unionville post office. The Postal Service includes the salary and benefits of a postmaster in its estimate of savings. However, the Unionville post office has operated without a postmaster since January 2006. Since then, there has been an OIC managing the Unionville facility. The salary and benefits of the OIC are significantly less than those of a postmaster. It is also possible that the OIC would remain employed with the Postal Service at a higher salary. In this case, the closure of the post office would cause an increase in costs, not an economic savings. *Id.* at 5-6.

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the

law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

Notice of the Postal Service's proposal to close the Unionville post office and provide rural route service was posted at the Unionville, Udell, and Moravia post offices from March 21, 2011 through May 22, 2011. Final Determination at 6. The Postal Service received no comments during the 60-day posting period. *Id.* The Final Determination to close the Unionville post office was posted at the same three post offices from June 14, 2011 through July 16, 2011. See *id.* cover sheets.

Based on review of the record, the Commission finds that the Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

Under section 404(d)(2)(A), in making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and

regular postal service will be provided; and the economic savings to the Postal Service. Also, section 101(b) prohibits the Postal Service from closing a small post office solely for operating at a deficit.

Effect on the community. Unionville is an unincorporated community located in Appanoose County, Iowa. *Id.* at 7. The Unionville post office is an EAS-C level (also referred to as a level 53) post office. It is open 22 hours per week and provides retail and delivery service to 42 post office box customers. *Id.* at 2. The questionnaires completed by Unionville customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Unionville must travel elsewhere for other supplies and services. Postal Service Comments at 8.

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with 35 members of the community and solicited input from the community with questionnaires. The Postal Service responded to each customer individually. Administrative Record, Item No. 22.⁶ No additional comments were received during the 60-day period the proposal to close was posted. *Id.* Item No. 38. The Postal Service's responses to customer concerns are summarized in the Final Determination.

Petitioner states that closure of the Unionville post office will bring about the end of the town. Petitioner also states that the closure will cause hardship for older residents. The Postal Service explicitly considered whether closing the Unionville post office would cause the demise of the community. In response to this concern, the Postal Service stated:

A community's identity derives from the interest and vitality of its residents and their use of its name. The Postal Service is helping to preserve community identity by continuing the use of Unionville, IA 52594, in addresses.

⁶ Many of the questionnaire responses and Postal Service letters that should be in Item No. 22 actually appear after Item No. 44 (.pdf version pages 65-119).

Final Determination at 3, Concern 5. The Postal Service also considered whether closing the post office would cause hardship for senior citizens. The Postal Service stated:

Customers are not required to travel to another post office to receive mail or obtain retail services. These services will be provided by the carrier to a roadside mailbox located close to customers' residences. In hardship cases, delivery can be made to the home of a customer.

Id. Concern 6. The Postal Service also responded by letter when Petitioner voiced these concerns in her questionnaire response. Administrative Record, Item No. 22, .pdf version pages 80-83.

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has satisfied the requirement that it consider the effect of closing on the community. 39 U.S.C. § 404(d)(2)(i).

Effective and regular service. The Postal Service examined how best to provide effective and regular services to the community. Replacement services are available through the Moravia post office located 9 miles away, the Udell post office located 7 miles away, and the extension of rural carrier delivery service. Final Determination at 2-5. The Public Representative states that the Postal Service followed applicable procedures and weighed the proper elements in the decision to close the Unionville post office. PR Reply Brief at 5.

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has considered its ability to provide a maximum degree of effective and regular service to the citizens of Unionville. 39 U.S.C. § 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates total annual savings of \$18,777. It derives this figure by summing the following costs: postmaster salary and

benefits \$18,785; and annual lease costs \$4,080, minus the cost of replacement service \$4,088. Final Determination at 9.⁷

The Public Representative asserts that the estimated savings are inflated. PR Reply Brief at 5-6. She notes that following the postmaster's reassignment in 2006, the Unionville post office has been managed by an OIC, a postmaster relief clerk who was transferred to Unionville with the understanding that the transfer was temporary. Upon discontinuance of the Unionville post office, the OIC will return to the central office. *Id.*, Item No. 47 at 4.

The Commission has stated on numerous occasions that the Postal Service should not compute savings based on compensation costs that are not eliminated by the discontinuance of a post office.⁸ That does not appear to have happened in this instance. The Unionville postmaster was reassigned in January 2006. Final Determination at 2, 9; see *also* Administrative Record, Item No. 44. Upon discontinuance of the Unionville post office, a postmaster position and related compensation will be eliminated. Thus, it is appropriate to include that salary and benefits in calculating estimated savings.

The record reflects that the Postal Service has considered economic savings. 39 U.S.C. § 404(d)(2)(A)(iv).

VI. CONCLUSION

Based on the review of the record, the Commission concludes that the Postal Service has adequately considered all requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Unionville, Iowa post office is affirmed.

⁷ The lease may be terminated on 30 days' notice prior to the end of each renewal term. Administrative Record, at .pdf version page 23. The record does not indicate the term of the lease.

⁸ See, e.g., Docket No. A2011-16, Order No. 843, Order Affirming Determination, September 8, 2011; Docket No. A2011-18, Order No. 865, Order Affirming Determination, September 20, 2011; Docket No. A2011-19, Order No. 912, Order Affirming Determination, October 20, 2011; Docket No. N2009-1, Advisory Opinion Concerning the Process for Evaluating Closing Stations and Branches, March 10, 2010.

It is ordered:

The Postal Service's determination to close the Unionville, Iowa post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary